

ATTENTION: CT. SPECIAL TAX DISTRICTS

I am a member, not by choice of The Princess Pocotopaug Corporation which is located in East Hampton and consist of approximately 135 houses on the east side of Lake Pocotopaug. Originally it was formed as the Princess Pocotopaug Association, Incorporated October 9, 1953 and registered with the Secretary of The State as a non-stock corporation. Its purpose was to improve and maintain beaches, boat landings, wells, and other property within the area. There was a fee/dues flat rate form of payment associated with these services that was charged annually to the property owners. The Association has officers and directors that are voted into office at the annual meetings and By-Laws were established to manage the affairs of the association.

On November 9, 1961 a notice of formation of a tax district was filed with the town clerk of East Hampton under Chapter 105 section 7-325 of the Connecticut State Statutes known as a Special Tax District. The name of the entity is The Princess Pocotopaug Corporation and it is registered with the Office of Policy and Management (OPM). The members of the district can elect officers and directors at the annual meeting, make and amend Governing Rules to manage its affairs and formulate a budget and establish a "tax" rate for the fiscal year. This "tax" is governed by section 7-328a of the Connecticut general statutes (CGS) and is apportioned to each property based on an assessed value multiplied by a mil rate which should be established at the annual meeting and then the treasurer forwards the "tax" bill to the property owners. Unfortunately this process wasn't implemented by the district. From its inception in 1961 the property owners were charged flat rate fee/dues which was a carry over from the association, not a "tax". This is in direct violation of section 7-328a and effectively makes the district an illegal entity. This "tax" payment is not recognized by the IRS as a tax and therefore isn't a taxable deduction unlike the town's tax that is a "tax" deduction. The Princess Pocotopaug Corporation has failed to file Federal and State income tax returns since their inception in 1961 according to information obtained from the IRS and the Department of Revenue Services (DRS). It's ironic how a Special Tax District can bill its members illegally and shuns its Federal and State tax responsibilities yet now look to modify section 7-328a to accommodate a few that don't want to pay their fair share of taxes.

On September 10, 1981 "Princess Pocotopaug Association" Incorporated filed an amended name change and was recorded February 11, 1982 with the Secretary of the State. James and Irene Curtis and Karl and Mary Ann Poglitsch were some of the signatures found on this document. The new name is "The Princess Pocotopaug Corporation". From that time forward there were two entities with the same name, the same officers and directors and the same mailing address listed as a place of business. Taking this into account things can get confusing at times when the officers and directors are ruling on certain action(s) because each entity has different laws that are applicable. On May 19, 2007 at "The Princess Pocotopaug Corporations" annual meeting Irene Curtis made a motion that the officers and directors of the "Princess Pocotopaug Association" serve in the same capacity as the Princess Pocotopaug Corporation seconded by Karl Poglitsch. The motion was unanimously accepted. These two individuals were the same members that signed the amended name change in 1981. To clarify once and for all the entity named the "Princess Pocotopaug Association" is non existent. Both of these individuals have in the past and continue to serve as officers and directors within the corporation. Maybe they are confused and part of the problem.

President Mark Johnson and director Irene Curtis have recently been in contact with the 34th district state representative Gail Hamm. They have asked her to enact special legislation so as to allow the "tax" district to be exempt from section 7-328a and charge the members a flat fee/dues. A report published by the OPM dated July 1989 list approximately 250 special tax districts in the State of Connecticut. The district's function can be special, improvement, fire, water, sewer, condo or lighting. The oldest district is the New Milford fire district established 1863. If this special act is enacted it could jeopardize the existence of these districts in the same manner that Gail Hamm's infamous lake law PA 05-248 enacted May 2004 retroactive to April 1, 2004 affected 33 towns and 14 lakes and reservoirs throughout Connecticut. This law was formulated with the specific intent to keep a Shaw's supermarket from being built in East Hampton. Chapter 124 section 8-k was added stating that no building greater than 12,000 square feet within 2000 feet of a lake greater than 500 acres shall be allowed. This law wasn't applicable to reservoirs. Shaw's appealed the ruling in court and a judge ruled that Lake Pocotopaug fit the definition of a reservoir and therefore the law wasn't applicable. The building permit was granted and PA 05-263 repealed section 8-k effective October 1, 2006. If this new law is enacted it will have an adverse impact on approximately 250 special tax districts in Connecticut. I am writing this article to make the custodians and members of these districts aware of this special legislation (H.B. 5268) so that they might contact their representatives or senators and have them vote against this proposed law.

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